

THE PHARMACY GUILD OF AUSTRALIA
BUSINESS PLAN COMPETITION

SunScOpe
SCREENING | SUN PROTECTION

UNIVERSITY OF AUCKLAND
PHARMACY STUDENTS

Tayla Cherry
Charlotte Nankivell
Caitlin Webby
Junting Wei

Mentors

Yining Han – Supervisor
Anna Liu – Pharmacy Owner

Our Team

Tayla

Raised in rural New Zealand, Tayla has always had a keen interest in providing targeted, patient-focussed care, whilst relishing the problem-solving opportunities presented by this typically resource-restricted aspect of healthcare. By contributing toward the development of innovative and exciting pharmacy services, she hopes to instil positive changes within the community setting and take on a more active role in addressing health inequities that arise within our culturally-diverse country.

Charlotte

Born-and-bred in New Zealand's largest city, Charlotte has always had an interest in the diversity and challenge of providing healthcare to the population. Despite, the somewhat faster pace of life in Auckland, she prefers to slow down and spend time with patients. Charlotte appreciates the importance of good customer relationships for the growth of any business, this focus extends to her putting patient health before financial gain.

Caitlin

Growing up in a small town, Caitlin has seen first-hand the results of hard to access healthcare and therefore has always had a passion in working towards increasing access for at risk populations. Caitlin understands the importance of quality healthcare and education in preventing disease and believes that this is achieved best through interprofessional cooperation. She enjoys being able to work directly with patients and see the difference that pharmacists can make.

Junting

Being raised in a family of heavily finance based occupations, business was naturally an interest of his. With the shifting role of pharmacy profession and increased competition in New Zealand, he knew something new must be done. Through the development of new pharmacy services, Junting is excited to be part of the driving factor for more pharmacy services and at the same time contribute to the health of the population.

Anna

Anna always wanted a bit more from her Pharmacy career, and with her husband now owns and operates four very successful Pharmacies in Auckland. Anna is continually looking to diversify her portfolio, and sees potential in Tauranga due to the shifting nature of the older Auckland population.

Yining

Graduated from the University of Auckland, School of Pharmacy in 2005, I became a registered pharmacist in 2006. Since then I have worked in and managed Pharmacies around Auckland.

Managing pharmacies has intrigued me to pursue further studies in business. In 2010 I returned to the University of Auckland to partake in the Postgraduate Diploma in Business Administration programme. Due to my experience in community pharmacy and knowledge in business studies, I was asked to be involved in the development of the pharmacy business module at the University of Auckland.

Apart from community pharmacy and teaching I also have experience in clinical research and property investment/development. From my personal experience, I believe that fundamental business concepts is essential to most professions and many facets of life. This is the reason why I am passionate to pass on this knowledge to our students and is honoured to assist our team with the Business Plan Competition.

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1 | Executive Summary

Imagine, you're relaxing at the beach, soaking up the hot summer sun; navigating the native bush or chilling with friends and family, enjoying a typical 'backyard barbie'. Unbeknownst to you however, active disease processes are beginning to take form.

Unfortunately, this is a sad reality for an alarming number of New Zealanders, who develop Melanoma skin cancer. Melanoma is a prominent global health concern – even more so for countries like New Zealand and Australia, whom sit directly under the hole in the Ozone layer. As such, it puts us at much higher risk for excess UV exposure (and subsequent skin cancer) and demands active interventional strategies to try and mitigate these crucial risk factors. Additionally, a high proportion of fair-skinned individuals, intermittent sun exposure from variable weather patterns and a lack of pollution, further enhance cancer risk. Cancer is a significant economic burden which can be reduced through early detection. That's where **SunScope** comes in.



SunScope is an innovative, dual-phase service provided by qualified pharmacists and aims to broaden access to and utilisation of life-saving detection and prevention measures by patients in the community. Comprised of both an in-house Pharmacy Base and a Mobile Skin Clinic, the program aims to identify at-risk patients, provide accurate skin imaging/screening and equip consumers with products and knowledge to ensure they remain safe whilst enjoying the sun.

Existing services in NZ provide private regionalised or general screening, often yielding inconclusive or negative results at great cost to the consumer. **SunScope** offers a versatile, convenient and affordable service, accompanied by numerous advantages over our competitors. Moreover, a key feature that establishes us within the consumer market is our heightened accessibility and capacity to reach at-risk population groups via the mobilisation of our service.

2 | Description of Business

2.1 Demographics

New Zealand has the world's highest Melanoma incidence rate. With 70% of melanoma cases occurring in people aged 50 years and older. Skin cancer costs the New Zealand Health System around \$57 million a year. The financial costs for individuals and their families is significant, and this does not consider the opportunity costs (such as a loss of income/work productivity, cost of travel, emotional strain, and the cost of premature death due to cancer).

The Bay of Plenty DHB has the third highest rate of Melanoma per 100,000 people in New Zealand. Tauranga is located in the Bay of Plenty region on the Eastern Coast of the North Island of New Zealand and is New Zealand's 5th

largest city. Its landscape is dominated by the harbour and the mountain; Mount Maunganui (Mauao). It receives between 2200 and 2500 hours of sunshine per year, making it one of the sunniest places in New Zealand. In 2017, it was the sunniest of the six main centres in New Zealand. According to Environmental Health Indicators NZ, ranked by DHB, the highest melanoma mortality rates occurred Bay of Plenty DHB. Therefore, Tauranga would benefit from a service that increases access to skin screening and promotes skin safety.

Our Pharmacy service would serve the Tauranga population of 131,500 people, and specifically the local population in Mount Maunganui of 19,000 people. Tauranga has an above average proportion of European (83%) and Maori (17%) ethnic groups when compared to the rest of the nation. With the percentage of residents born in New Zealand, Australia, UK and Ireland higher than the national average. Tauranga also has an above average proportion of people aged 65 years and over, with this population group being the largest growing in the Tauranga population. This coupled with the generational lack of awareness regarding sun safety, puts this group at a higher risk of Melanoma. Therefore, making this population group SunScope's primary market.

The quickly growing population is due to the infill residential and retirement complex development, with infrastructure and services being designed to manage this growth. With the Port of Tauranga being located in Mount Maunganui, many cruise ships visit the suburb annually.

The outdoor lifestyle of Mount Maunganui, in combination with its ageing and tourist population highlights the need for a sun safety initiative. As approximately 70% of melanoma cases occur in people aged 50 years and older. Our Pharmacy located in the coastal suburb of Mount Maunganui will capture this market - preventing melanoma and identifying it earlier.

We believe that our service will allow for close collaboration with local health professionals, to help catch melanoma earlier and also reduce the incidence of melanoma.

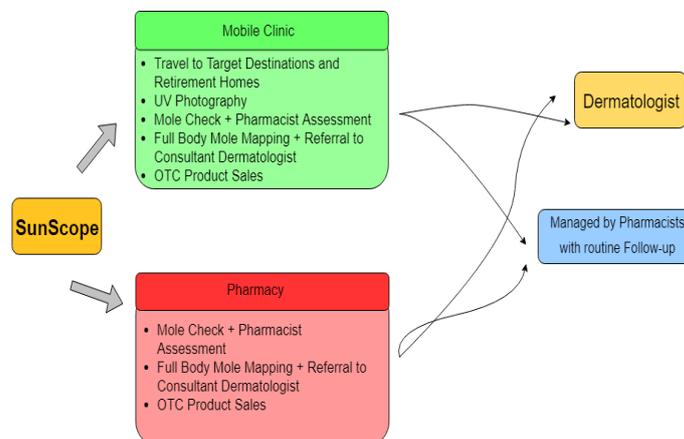
2.2 Business Description

Our Pharmacy is located in the heart of Mount Maunganui, along the beachfront. In conjunction with our mobile service we have a unique opportunity to target not only the population of Mount Maunganui, but that throughout Tauranga City. This mobile service gives us the flexibility of moving to where the demand for our service is and utilising local (or tourist) foot-traffic. This affords a year-long service, as our service adapts with the changing seasonal demands. Our mobile clinic will also increase the accessibility of the service to our ageing demographic. We are dedicated to providing the local population with a skin safety service that is innovative and accessible.

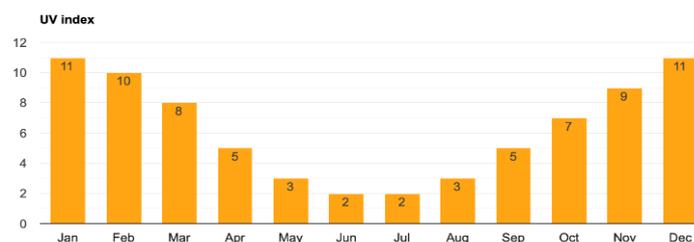
Mole Mapping is already an established service, however it remains out of reach for the majority of the population, due to specialisation and expense. SunScope distinguishes itself from our competitors by offering superior accessibility, reduced cost, and graded services combined with the high-standards and professionalism of care that is associated with the pharmacy sector. Furthermore, our unique equal focus on preventative measures such as education and advice (offered free of charge) truly helps to set SunScope apart from other services

2.3 Our Dual Pharmacy Service

SunScope works in a two-pronged approach – firstly, a mobile skin-checking service and secondly, our in-pharmacy service. Both aspects will provide skin screening, product sales, patient counselling and health promotion.



Average UV index Tauranga, New Zealand



Additionally, our [mobile] Ultraviolet Photography will serve as a useful prompt to engage with potential clientele and provide a key talking point when initiating patient counselling. UV damage is largely invisible to the naked eye, so most people are unaware that any damage has occurred. This service will draw attention to this and heighten public awareness of the dangers of skin exposure to the Sun.

Patients can present to either location (pharmacy or mobile clinic) and enquire about or receive any tier of our service. In addition, patients may also schedule appointments with our pharmacists ahead of time, thereby guaranteeing adequate preparation and optimisation of service delivery. Furthermore, this will allow for sufficient post-screening counselling, education and product promotion.

As part of our 'top-tier' mole-mapping service, referral of patients to our specialist dermatologist collaborator will occur based on a summated risk assessment which considers factors such as age, skin colour, mole or lesion characteristics (size, colour, border, symmetry, evolution etc). The score generated from this stratifies participants into low, medium or high-risk categories. Images of lesions are recorded and can be forwarded onto the specialist to aid in consultation/follow-up. Every patient that receives the full-body mole map will have their results examined and assessed by the dermatologist and receive a full report.

Core Aspects of our SunScope Service:

- i) **Ultra-Violet Photography:** offered at our mobile clinic, UV photography provides an intriguing point of engagement with potential consumers, giving a visual representation to the state of skin health of the recipient and offering a unique platform for subsequent health promotion and education thereafter.
- ii) **Skin Screening (Spot Check):** using the latest Dermoscopy techniques to examine selected moles and lesions, our trained pharmacists offer a thorough examination and risk assessment, tailored to our prospective clientele. Formal consultation, counselling and recommendation of future actions will accompany this innovative service.
- iii) **Mole Mapping:** a step up from our spot-checking service lies our full mole-mapping program. Here, complete regional or full-body investigation, imaging and consultation is offered, accompanied by prompt referral to a Dermatologist for further examination in a unique, affordable package deal.
- iv) **Education:** Education is a core component to our service. There is no point in simply checking for lesions or potential cancers already formed if the risk factors leading to their development are not addressed. Brief, in-person counselling, information leaflets (covering melanoma, risk/protective factors etc.) cater to our summer-based services (with clients engaging in our in-pharmacy or mobile clinics on a walk-in-basis). Specific community centre/outreach programmes on the other-hand demand a much more structured approach; achieved by our pharmacists providing detailed educational seminars/sessions to groups (e.g. businesses, rest-homes, community or cultural groups) to cover both the condition (i.e. Melanoma) as well as details of our particular service.

Mobile Clinic:

Our mobile site offers all the above services and allows us to extend beyond the physical pharmacy premise, distinguishing us from our competitors and permitting far greater public access. During peak sun times (e.g. summer), our mobile clinic will be based at Mt Maunganui beach, capitalising off of the heightened tourist population and heavy foot-traffic – whilst also ensuring this vital service is available when demand is greatest. Throughout the year, we will take our service directly to the consumer market, visiting retirement villages, aged-care facilities and Returned Service Associations, maximising utilisation by our at-risk population. Additionally, the mobile clinic has the potential for expansion beyond Tauranga, reaching distant or rural areas of New Zealand, that lack resources for this kind of service. With this also comes the opportunity for District Health Board funding and Government support.

3 | Marketing and Sales Strategy

3.1 Purpose

With **SunScope**, we are aiming to increase early detection of precancerous and cancerous (melanoma) skin lesions, thereby allowing for faster diagnosis and subsequent treatment. Additionally, by providing excellent education and promoting awareness of Melanoma, we hope to address the increasing prevalence of skin cancer within the context of New Zealand. This will ultimately encourage better health outcomes for the community.

3.2 Vision

The overarching goal of our service is to reduce the rates of melanoma - initially within our select population; with country-wide expansion a focus for the future. Supplementary to this, we hope to improve upon community health literacy and awareness relating to Melanoma skin cancer through the guise of strategic health promotion and service marketing.

3.3 Objectives

- To increase the number of patients that have mole screening
- To improve awareness and provide education around sun safety
- To address the heightened needs of our target population, whom exhibit exceptionally high rates of Melanoma, relative to the rest of the country

3.4 Marketing and Sales Strategy

The purpose of our Marketing Strategies is to raise awareness of our services, by focussing on multiple platforms that increase visibility for all demographics.

The following table outlines the core elements of our marketing methods that will help promote our service:

Marketing Platform	How/Why?
Mobile Skin Clinic	<ul style="list-style-type: none"> • Operational times: 9am – 6pm (summer hours) and 9am – 5pm (non-summer hours) • Utilise heavy foot-traffic associated with populated areas/tourist ‘hot-spots’ • In peak sun times (i.e. Summer), our mobile clinic will visit key tourist destinations; such as the beach. • In ‘off’ season, visitation of high-risk environments; such as retirement homes etc • Word-of-mouth • Advertising and Logo Design on the van/mobile clinic exterior itself
Multi-media Platforms e.g. Facebook/Instagram + Radio	<ul style="list-style-type: none"> • Paid advertising on Facebook and Instagram by geo-tagging posts that fit our demographic. • Radio stations (National Programme or Newstalk ZB)
Pharmacy-based promotion	<ul style="list-style-type: none"> • Posters and flyers on physical display in pharmacy • Staff promoting service to pharmacy customers
Collaboration with health professionals in local area	<ul style="list-style-type: none"> • By building good partnerships with Dermatologists and relationships with GPs, they will work with us to promote the service.
UV Skin Photography	<ul style="list-style-type: none"> • Provided via our mobile skin clinic • Will be especially useful during our summer promotional campaigns, where we intend to visit the beach and other tourist ‘hot-spots’ • Can draw in clientele, by offering UV imaging. This can highlight existing UV-associated skin damage, prompting further discussion and providing a useful platform to promote various components of our SunScope program.
Email Database	<ul style="list-style-type: none"> • When providing SunScope services and with patient permission we will collect patient email addresses. This will form a database for reminding and promoting services to patients that are already interested in their skin health.
‘SunSmart’ Loyalty Card Programme	<ul style="list-style-type: none"> • Each tier of our service, selected sun safe products (like sunscreen) and repeat screening or consultations etc are each worth points. Points accrued will in turn contribute towards discounts and other competitions or promotions. • By participating in the programme, repeat customers will be rewarded for returning, thereby optimising relationships with consumers and will be notified in advanced for any future offers or promotions (via the aforementioned email notifications etc).

3.5 Community Outreach

When making our marketing and sales strategy, we have taken the local Tauranga community into consideration. We aim to promote sun safety practices through our unique mobile services, which allows our Pharmacists to directly connect with our target population. As our client base morphs with seasonal, geographical and demographic variation, our promotional strategies are equally as versatile and flexible, to adequately meet these changing needs. Our mobile clinic has community benefit as it enables clientele easier access to education and services, therefore, increasing the reach of **SunScope**.

To promote consumer outreach, email/phone/text notifications detailing the various elements offered by **SunScope** as well as inform our viewers of upcoming specials and promotions to draw in further interest. Owing to the aforementioned consent forms, customer contact details will be obtained, along with permission to receive such alerts. Further, since a significant portion of our consumer income will likely be earned in the summertime, broadcasting via other media outlets (such as radio or social media platforms) will allow for greater word-of-mouth and consumer 'hype', as well as competitions/promotional adverts to draw in client interest.

Drawing on the success of other promotional tools implemented by popular media outlets for example, scavenger hunt or 'first to find our mobile clinic'-type competitions will provide a fun and interactive way to draw in clients during our busy summer periods.

4 | Management Team and Personnel Summary

4.1 Service Providers

The key providers of our service will be that of our community pharmacists, whom have undertaken further training to be fully equipped to conduct the skin screening aspect of our service. Further, by utilising their existing expertise in OTC product sales and patient counselling, this can optimise community education and facilitate enhanced health promotion.

A trained pharmacist will be present both in the mobile clinic and in the pharmacy, to ensure accessibility and functionality of our dual programme. Accompanying them, will be either a technician or retail assistant, to aid in stream-lining the process and ensuring smooth day-to-day operations.

Since pharmacists cannot as yet formally diagnose melanoma, this of course occurs in collaboration with local GPs and Dermatologists, via our referral pathway for those identified as being at higher-risk. Thus, our service provides an excellent opportunity to triage prospective patients, lessening the burden on current community providers as well as foster enhanced inter-professional relationships – an essential factor in provision of holistic, patient-centred care.

- As part of our core service, our mole-mapping package includes referral of clients to a sister dermatology clinic, with whom we integrate the provision of our more individualised services. Prior to receiving our service, prospective clients sign consent forms regarding not only the different **SunScope** service tiers but also for our referral programme - permitting the supply of patient records to our partner dermatology clinic for specialist review, with a portion of income being directed onto them to cover this review.
- This partnership is dichotomous - we refer at-risk clients onto specialist dermatologists for detailed clinical assessment and in return, we become a part of their treatment journey, assisting in their after-care, dispensing, counselling and continued monitoring (i.e. including scheduled annual or 2-5-yearly re-scans).

Charlotte Nankivell – Pharmacist in Charge: Charlotte is a team leader who believes that a strong business begins with her team. She maintains the relationship between our Pharmacy and local health-professionals.

Tayla Cherry – Operations Manager: Tayla's role is ensuring that our service maintains its high-standards and develops with our market. Her organisational skills ensure that all the resources and equipment are maintained.

Caitlin Webby – Marketing Manager: Caitlin is an outgoing individual that is dedicated to promoting our service to the public. She believes that everyone should have access to appropriate health care and is always looking for new opportunities to expand our reach to the Tauranga population.

Junting Wei – Financial Advisor: Junting is a stickler for ensuring that the business runs to budget, incorporating his financial knowledge to optimise our Pharmacy service. His attention to detail allows us to provide a service at a reasonable price for our consumer.

4.2 Staff Training

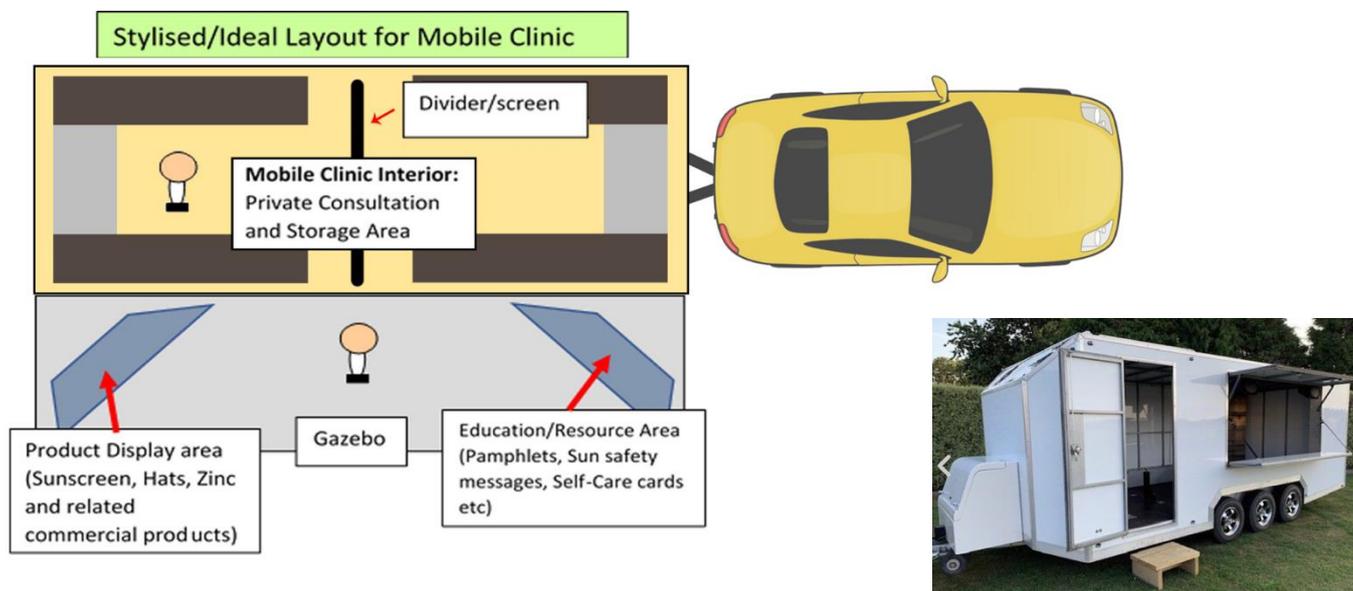
In addition to their BPharm degree, accreditation approved by the Pharmacy Council of NZ and existing clinical expertise, the pharmacists providing our service will require further training, to ensure they are fully equipped to provide accurate patient screening and counselling. This will be achieved via their attendance to a Skin Cancer Symposium; involving an intense training programme and certification in Advanced Dermoscopy. This certificate is endorsed by the Royal Australian college of Surgeons and qualifications like this will help further distance ourselves from the ineptitude of our competitors.

- As much of the clinical responsibilities of our service lie with the pharmacists, they will be certified and equipped to provide brief patient assessments/consultations, provide product and primary health advice surrounding melanoma and sun safety as well as perform the Dermoscopy/mole-mapping elements.
- Our retail staff on the other-hand are integral for enhancing our commercial presence; aiding in triage/administerial duties, greeting clients, managing OTC sales and driving key promotional aspects.

The graded nature of our service is thus reflected by the variable extent to which different staff levels are trained, thereby capitalising upon the strengths offered by each denomination.

5 | Operations Management

5.1 Location/Premises – Pharmacy Base & Mobile Clinic





- The pharmacy has two separate consultation rooms. Ideally, one consultation will be equipped to provide the skin mapping services, spot checks, and UV damage exams. The second consultation will be reserved for other pharmacy functions (e.g. INR, blood tests, general counselling).
- Retail, dispensary, toilet, break room, and cashier are all included to maintain regular pharmacy practice.

5.2 Resource Requirements

- Transportation – trailer, car with tow bar + petrol, servicing (WOF) & registration
- Information management and Electronic and Financial systems – Laptop x 2, eftpos machine, cash draw, safe, barcode scanner
- Products for sale – Sunscreen, Hats, Sunglasses, Water
- Skin-imaging – Dermatoscope + UV damage checker/camera
- Environmental/Functional Equipment – chairs, desk, shelving, divider, gazebo
- Educational pamphlets – self-care cards, sunsmart posters/flyers

5.3 Security and Safety Precautions

Understandably, our mobile clinic represents a potential risk of vulnerability regarding security and staff safety whilst operating in the public. Staff safety is a key concern of ours and we have taken this into consideration.

- On-site, lockable storage units (containing files/patient records, equipment including scopes etc), placement of cameras aimed about the trailer, regular stock-take and safety/security SOPs will be put in place and operate with day-to-day running of the mobile clinic (as would be found in the base pharmacy also).
- There will always be at least two staff members in the mobile clinic during operating hours (a pharmacist and retail assistant or technician)
- We have also incorporated this increase in IT costs in our financial forecast (covering security equipment, cameras, internet access), along with projected motor vehicle expenses (petrol, generation of power when offsite).

5.4 Monitoring, Follow-up

To monitor the progress of our service our key-performance indicators will be followed by Charlotte. These will include:

- Number of patients that come through our service

- Accuracy of screening (as determined by dermatologist feedback)
- Engagement with our Facebook page
- Profit increase for Pharmacy through additional retail sales due to promotion of sun-safety consumables.

6 | Financial Forecasts

6.1 Projection

The **SunScope** programme works not only in providing unique, accessible services to at-risk populations, but also encourages sun safety through targeted marketing. To ensure **SunScope** can achieve these goals, it must be no just self-sustaining, but profitable.

To estimate the other income generated through the new provided services, we split them up and estimated specific units sold per week**. Awareness for these services would start low but we expect business to almost double by 2022. Due to the mobile nature of the van, the units/week were estimated to be 5 in the first year. However, this figure could peak much higher on weeks when the mobile unit visits retirement villages or rural areas. In 2019, the other income for the Pharmacy was reported at \$60,402 (shown in Table 3). This figure would be predicted to increase considerably with the implementation of **SunScope** services (\$109k, \$169k, and \$205k in 3 years).

Table 1: Projected income from SunScope services

	*Unit Price	2020		2021		2022	
		**Units/Week	Sales	Units/Week	Sales	Units/Week	Sales
Full Body Scans	\$300	5	\$78,000	8	\$124,800	10	\$156,000
Spot Check	\$40	12	\$24,960	18	\$37,440	20	\$41,600
UV Check	\$10	12	\$6,240	14	\$7,280	16	\$8,320
Total other income			\$109,200		\$169,520		\$205,920

*Unit price is calculated with estimated average spending per customer.
 **Units/Week refers to predicted patients per week.

Table 2: Staffing

Staffing	2019		2020		2021		2022	
	Number	Hours/Week	Number	Hours/Week	Number	Hours/Week	Number	Hours/Week
Working proprietors								
Full Time	1	40	3	120	4	160	4	160
Part Time	1	20	1	30	0	0	0	0
Other Pharmacists								
Full Time	1	30	0	30	0	30	0	30
Part Time	1	10	0	10	0	10	0	10
Dispensary Assistants								
Full Time	1	35	1	35	1	35	1	35
Part Time	1	17	1	17	1	17	1	17
Sales and other staff								
Full Time	2	75	3	110	3	110	3	110
Part Time	3	36	2	28	2	28	2	28

Table 3: Projected financial performance

Income	2019	2020	2021	2022
SALES*	\$3,285,928	\$3,368,294	\$3,443,626	\$3,521,081
COST OF GOODS SOLD	\$2,173,287	\$2,155,708	\$2,203,921	\$2,253,492

GROSS MARGIN	\$1,112,641	\$1,212,586	\$1,239,706	\$1,267,589
Other Income (E.g. Government Incentives/allowances, HMR and other services, dividends etc)*	\$60,402	\$130,602	\$169,602	\$224,722
GROSS MARGIN PLUS OTHER INCOME	\$1,173,043	\$1,343,188	\$1,409,308	\$1,492,311
TOTAL REVENUE (Sales plus other income)	\$3,346,330	\$3,498,896	\$3,613,229	\$3,745,803

*Sales increased due to growth of sales on the van of sun protection products. Other income considers income from Full body scans, UV scan, and spot checking services. Refer to table above.

EXPENSES

Salaries and Wages	\$394,717	\$464,717	\$504,717	\$504,717
Rent Paid	\$158,603	\$158,603	\$158,603	\$158,603
Outgoings - Rental & Rates	\$19,783	\$20,080	\$20,380	\$20,686
Accounting	\$10,622	\$11,684	\$11,859	\$12,037
Advertising *If a member of a banner group this would be higher as group fees would be added	\$44,439	\$54,439	\$52,439	\$53,225
Bank Charges	\$15,140	\$12,000	\$11,830	\$12,692
Computer Expenses	\$17,950	\$21,766	\$23,660	\$25,384
Depreciation	\$31,900	\$39,900	\$34,900	\$31,900
Electricity, Water, Heating	\$12,116	\$12,297	\$12,482	\$12,669
Insurance	\$10,309	\$14,510	\$15,773	\$16,922
Leasing Expenses	\$7,475	\$7,587	\$7,701	\$7,816
Motor Vehicle Expenses	\$4,334	\$14,334	\$14,549	\$14,767
Postage, Freight, Printing	\$10,252	\$7,255	\$7,887	\$8,461
Repairs, Maintenance, Service	\$4,743	\$7,255	\$7,887	\$8,461
Subs and Registrations	\$9,132	\$9,269	\$9,408	\$9,549
Superannuation	\$13,941	\$13,941	\$15,142	\$15,142
Telephone	\$5,064	\$5,140	\$5,217	\$5,295
Training	\$2,181	\$5,581	\$2,481	\$2,481
Abnormal Expenses	\$14,709	\$3,628	\$3,943	\$4,261
Payroll Tax	\$6,358	\$7,255	\$7,701	\$8,461
Specialist consulting fee*		\$23,400	\$39,000	\$62,400
Workers' Compensation	\$3,605	\$3,628	\$3,943	\$4,261
Other Expenses	\$66,226	\$72,553	\$78,867	\$84,614
Total Expenses	\$863,599	\$990,822	\$1,073,769	\$1,084,804

*Specialist consulting fee equates to 50% of sales of full body scans. Due to it being a new service, there is no data for 2019.

Earnings before Interest and Tax (EBIT)	\$309,445	\$352,366	\$358,939	\$407,507
Interest Paid	\$52,707	\$50,787	\$47,320	\$42,306
Company Tax	\$71,886	\$84,442	\$87,253	\$102,256
Net Profit	\$184,851	\$217,137	\$224,365	\$262,945

REVENUE ANALYSIS

Prescription	\$2,340,871	\$2,375,984	\$2,411,624	\$2,447,799
Other Sales (Non-Prescription Sales)	\$945,057	\$992,310	\$1,032,002	\$1,073,282
Other Income	\$60,402	\$70,200	\$109,200	\$164,320

INVENTORY ANALYSIS

Prescription	\$134,546	130,000	130,000	130,000
Other	\$160,386	168692	185562	204118
Stock carried	\$294,932	298,692	315,562	334,118

6.2 Profitability and valuation

Looking at the statement of financial performance, the net profit for the pharmacy is showing to jump from \$184,851 (prior to SunScope) to \$217,137. Net profit would continue to rise as the service becomes more well known. Although there has been increases in wages and training (to accommodate for increased provision of services) along with depreciation, motor vehicle expenses, insurance, etc, a significant growth is still shown. A net profit increase of 17% is shown within 1 year with a return on investment of 14%.

Currently, valuation of Pharmacies in New Zealand are calculated with the formula EBIT x 5. Using this formula to value the pharmacy business (refer to table 3), a steady increase can be seen with an increase of almost \$1 million in 3 years.

Table 4: Pharmacy Valuation

2019		2020		2021		2022	
EBIT	Valuation	EBIT	Valuation	Ebit	Valuation	Ebit	Valuation
\$309,445	\$1,547,223	\$352,366	\$1,761,831	\$358,939	\$1,794,694	\$407,507	\$2,037,537

Note: A forecasted balance sheet was not included or used to value the pharmacy as there were too many unknown variables required to formulate any useful information to investors. This method of valuation is much more predictable and consistent in New Zealand pharmacy practice.

6.3 Service Fees

For our mole checking service, we will charge \$30 for one mole with each additional mole being a further \$10. The full mole map will cost \$300, of which \$150 will be going to our partnering dermatologist. The UV photography service will be charged two different ways. It will be either \$10 per person or free with a purchase of a sunscreen, as part of an ongoing sunscreen promotion. This promotion will be offered by partnering with a specific sunscreen brand. This will allow us to drive sales of their brand and secure a lower purchase price.

6.4 Costs of Operation

The largest majority of the costs will come from the trailer required to form our mobile clinic. This trailer cost would be deducted from the current assets. There will also be a large increase in expenses when considering petrol, servicing, registration. Staff training (\$3,400 for 2 staff including equipment), superannuation, computer expenses, insurance will also see a significant increase to accommodate the new SunScope Service.

Owing to council requirements, we will also need to apply for and obtain a 'Mobile Shop License', necessitating a one-off annual fee of \$564.00.

Even considering the increased expenses, net profit was still seen to increase significantly. The increase can easily pay off the trailer just under a year.

7 | SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Community pharmacy-based service means greater accessibility by the public • Unique mobile/roaming clinic in addition to fixed pharmacy premise • Utilises the existing fact that community pharmacies serve as critical point of contact and triage service between population and health system • Commercialisation of sun safety products like sunscreen, hats etc (benefits consumers and providers alike) • Convenience, Accessibility & Affordability - roaming mobile clinic, locale of base pharmacy within heart of community/district • Versatile and graded structure means more individualisation and tailoring towards client needs. • High-resolution imaging and skin scanning to accompany patient assessment, using industry-approved techniques and equipment. • Pharmacists providing the service are accredited/qualified 	<ul style="list-style-type: none"> • People unable to access mobile service will have to come into the pharmacy to utilise service • Risk of false-negative or false-positive results • Need for some sort of training or qualification to undertake skin/mole screening • Services provided may be misinterpreted as a 'definitive diagnosis'
Opportunities	Threats
<ul style="list-style-type: none"> • Health promotion and public education/awareness • Collaboration with other health professionals (helping create and strengthen interprofessional relationships) • Financial opportunities – screening, referral, commercial sales, follow-up • Opportunities for on-going monitoring (i.e. regular, annual or x-yearly screening) • Opportunity for community pharmacists to expand their expertise, training and scope of practice • Melanoma is a significant public health concern for BOTH NZ and Australia • Earlier detection means easier treatment, improved health outcomes and reduces burden on health system and consumer 	<ul style="list-style-type: none"> • Patient's going elsewhere for screening • Second-guessing accuracy of our service • Existing skin screening service in Australia = 'Spot Check' (but not currently in NZ) • May be seen as "stepping on the toes" of Dermatologists or GPs